

WaterSMART Grants: Water Marketing Strategy Grants

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Policy and Administration, Water Resources and Planning

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Agenda Overview

- WaterSMART Program Overview
- Water Marketing Strategy Grants Overview
- Eligible Applicants and Projects
- Required Project Components
- Water Marketing Strategy Document Requirements
- Post-selection Requirements
- Evaluation Criteria
- Examples

Reclamation's Mission

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.



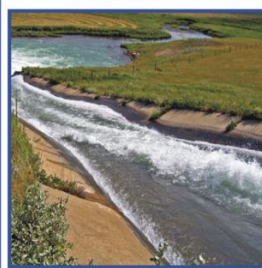
Basin Study Program

Collaborative Planning



Title XVI Program

Water Reclamation and Reuse



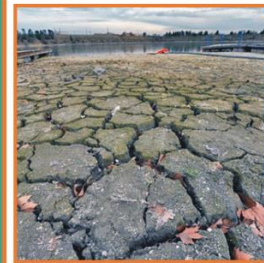
WaterSMART Grants

Water Conservation and Efficiency



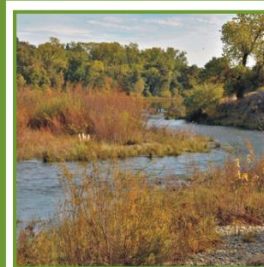
Water Conservation Field Services Program

Water Conservation Planning and Design



Drought Response Program

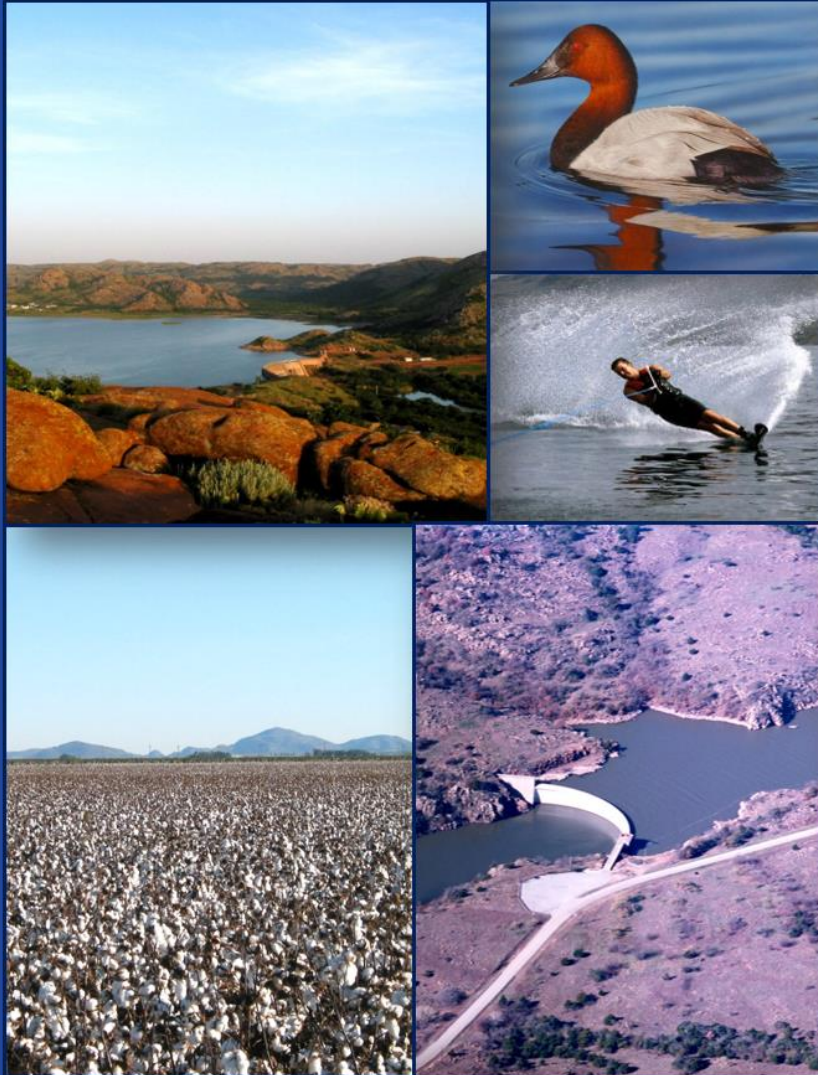
Planning and Building Resiliency



Cooperative Watershed Management Program

Watershed Management and Restoration

WaterSMART Program - *Overview*



- Departmental initiative established in 2010
- Provides a framework for Interior to support water supply reliability for multiple water users
- WaterSMART supports Reclamation's mission through collaboration with stakeholders to improve water management, increase water reliability, and optimize limited supplies
- Authorized under section 9504 of the SECURE Water Act, P.L. 111-11

WaterSMART Program



Water and Energy
Efficiency Grants



Small-Scale Water
Efficiency Projects



*Water Marketing
Strategy Grants*

Water Marketing Strategy Grants – *Overview*

- **Program Purpose:** Through WaterSMART Water Marketing Strategy Grants, Reclamation provides cost-shared financial assistance to states, tribes, and local governments to develop water marketing strategies to establish or expand water markets, or water marketing activities between willing participants.
- **Projects Funded:** Collaborative planning efforts to develop water markets that will proactively address water supply reliability and increase water management flexibility. Pilot activities integral to the development of a strategy – i.e. the movement of water on a pilot basis in compliance with applicable laws – can also be included.
- **Program Objective:** Water markets between willing buyers and sellers can be used to help water users meet demands efficiently in times of shortages, thereby helping prevent conflicts.

Water Marketing Strategy Grants – *Project Eligibility*

Eligible Applicants:

- States, Tribes, irrigation districts, water districts, or other organizations with water or power delivery authority

Eligible Projects:

- Development of a water marketing strategy to establish or expand current water markets or water marketing activities

Ineligible Applicants:

- Federal government entities
- Institutes of higher education
- Individuals
- 501(c)4 and 501(c)6 organizations

Ineligible Projects:

- Other types of planning studies
- Construction activities
- Water conservation projects
- OM&R
- Title XVI Projects
- Water purchases
- Administrative construction costs
- On-farm improvement projects

Water Marketing Strategy Grants – *Award Information*

Funding Group I:

- Up to \$200,000 in Federal funds*
- Completed within 2 years
- Smaller project scope
- Can be less complex
 - Few partners involved
 - Smaller geographic area
 - Builds on prior work

Funding Group II:

- Up to \$400,000 in Federal funds*
- Completed within 3 years
- Large project scope
 - More partners
 - Larger geographic area
 - More complex water markets

***50% or greater non-Federal cost share is required
regardless of Funding Group**

Water Marketing Strategy Grants – *Required Project Components*

- Development of a Water Marketing Strategy must include the following **required project components**:
 - Outreach and partnership building
 - Scoping and planning activities
 - Development of a water marketing strategy document
 - Pilot Activities – optional

Water Marketing Strategy Grants – *Required Project Components*

- Projects proposed for funding must address the 3 required project components
- If significant work has been completed under components 1 and 2, applicant must explain in detail what work has been completed
- Scoping and Planning Activities can include a pilot project



Water Marketing Strategy Grants – *Required Project Components*

Three Required Project Components:

1. Outreach and Partnership Building

- Conducting outreach to potential partners, participants, and interested or affected stakeholders in the area through public meetings, webinars, notices, or other forms of communication and outreach
- Hosting workshops to gather information on the development of the water marketing strategy
- Making available the draft strategy document for public review and comment

Water Marketing Strategy Grants – *Required Project Components cont.*

2. Scoping and Planning Activities

- Conducting financial or economic analyses to identify potential buyers and sellers, assess demands for the water market, and research the cost of implementing the water market.
- Researching different water marketing approaches
- Analyzing water rights issues or legal requirements
- Quantifying water rights, consumptive use, diversions, and return flows to determine how much water is available for marketing and to avoid impacts to downstream water users.
- Analyzing economic, social, community, and environmental impacts of potential market/transaction(s)
- Conducting hydrologic or engineering studies related to water supply, use of infrastructure, or hydrologic impacts of water marketing
- Analysis of decision support tools

Water Marketing Strategy Grants – *Required Project Components cont.*

- *Pilot Activities - Optional*

- Pilot activities integral to the development of a strategy – i.e. the movement of water on a pilot basis in compliance with applicable laws – can be included
- A description of the types of pilot activities undertaken, how the activities were implemented and their duration
- The outcomes of all pilot activities including what was learned, and who this information informed others and was incorporated into the strategy
- ***Caution that this will trigger environmental compliance requirements***

Water Marketing Strategy Grants – *Required Project Components cont.*

3. *Development of a Water Marketing Strategy Document*

- A water marketing strategy is a written document that describes a proposed approach to establish or expand a new water market or water marketing activities based on the results of components 1 and 2
- There are **4 strategy document content requirements** that apply to the development of a water marketing strategy

Water Marketing Strategy Grants – Strategy Document Content Requirement



Water Marketing Strategy Document

- There are strategy document content requirements that must be included in the water marketing strategy document.
- The level of detail in addressing the strategy document content may vary depending on how much prior planning has occurred, the level of complexity of the issues being addressed, and how close the project is to implementation

Implementation Plan

How will the water market/water marketing activities be implemented following completion of the strategy?

Legal Framework

What is the legal framework for the water market/water marketing activities?

Monitoring

How will water marketing activities be monitored?

Stakeholder Support and Input

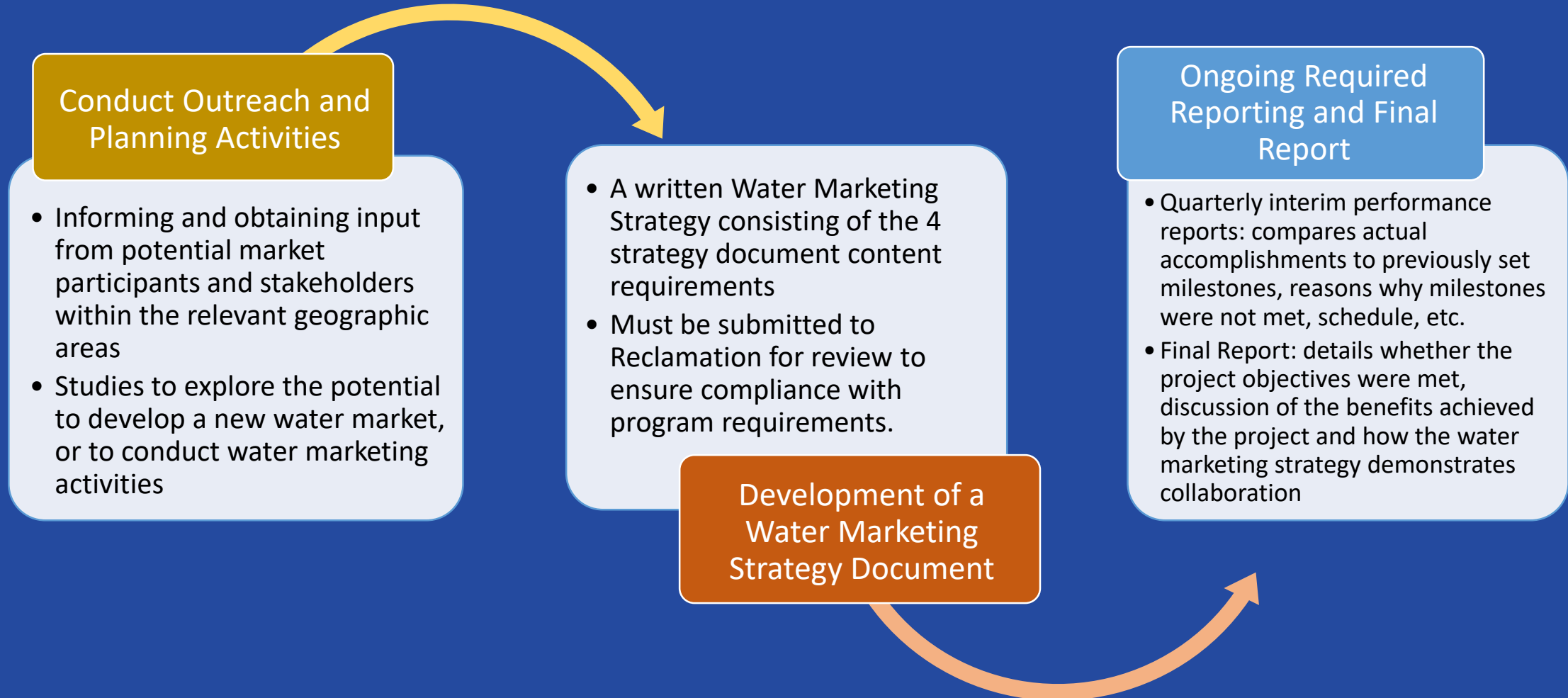
How is stakeholder input incorporated into the water market/water marketing activities?

Water Marketing Strategy Grants – *Post Selection Requirements*

After the applicant is informed of being selected, Reclamation will enter into a financial assistance agreement:

- The financial assistance agreement documents the milestones, project, and reporting requirements
- Required planning components and reporting

Water Marketing Strategy Grants – *Required Planning Steps & Reporting*



EVALUATION CRITERIA

Evaluation Criterion D - Department of Interior Priorities (10 points)

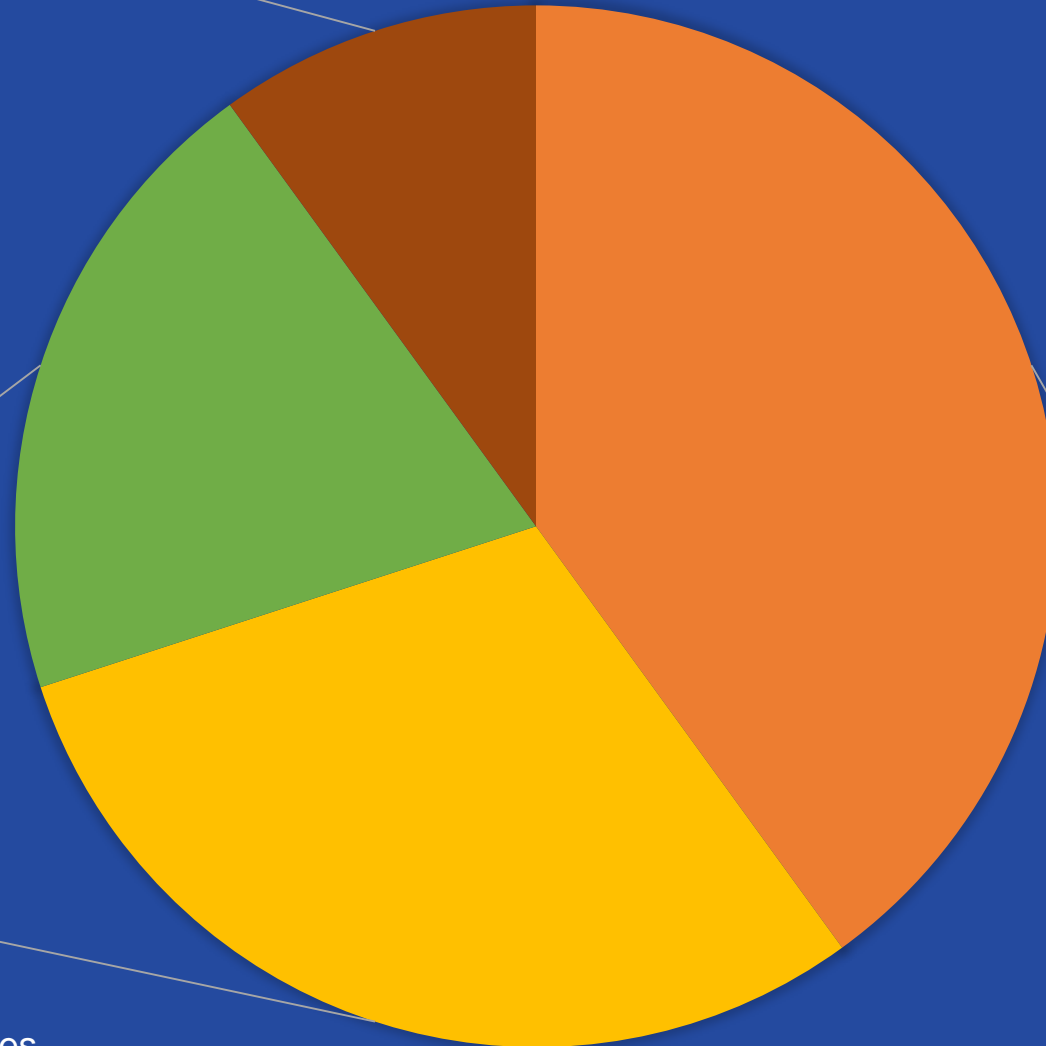
Scored based on the extent that the proposal supports the DOI priorities.

Criterion C - Ability to Meet Program Requirements (20 points)

Scored based on the extent to which the proposal supports the applicants financial ability.

Criterion B - Level of Stakeholder Support and Involvement (30 points)

Scored based on the extent to which the proposal demonstrates the strategy is supported by a diverse set of stakeholders.



- Applications will be evaluated against the evaluation criteria which comprise a total of 100 points.

Criterion A - Water Marketing Benefits (40 points)

Scored based on the extent to which the proposed water marketing strategy will result in significant benefits to water supply reliability.

Water Marketing Strategy Grants – *FY2017*

Project Examples

The New Cache La Poudre Irrigating Company, Inc., Colorado

- Partnering with Ducks Unlimited to develop a water marketing strategy that facilitates the temporary transfers of agricultural water to meet the demands of municipalities, rural economic development, and wildlife habitat
- Emphasizes temporary water leases over permanent transfers to sustain Front Range agriculture while meeting other needs during shortages
- Multiple stakeholders and collaborators

Water Marketing Strategy Grants – *FY2017*

Project Examples

Central Oregon Irrigation District, Redmond, Oregon

- Developing a water transaction program to facilitate the trading of water between irrigation districts and for environmental flows on the Deschutes River
- The Oregon Spotted Frog has accelerated the need to restore flows in the Deschutes River
- Increases the reliability for irrigators (especially Junior users), protects flows in the river, and meets the needs of both agricultural users and municipalities

Water Marketing Strategy Grants - *Program Requirements Summary*

Eligible Applicants

States, Tribes, irrigation districts, water districts, or other organizations with water or power delivery authority in the western United States

Funding Groups

Funding Group I: Up to \$200,000 for strategies completed within 2 years
Funding Group II: up to \$400,000 for strategies completed within 3 years

Cost Share

50% or more non-Federal cost-share is required

Required Project Components

1. Outreach and Partnership Building
2. Scoping and Planning Activities (Pilot activities are optional)
3. Development of a Water Marketing Strategy Document

Evaluation Criteria

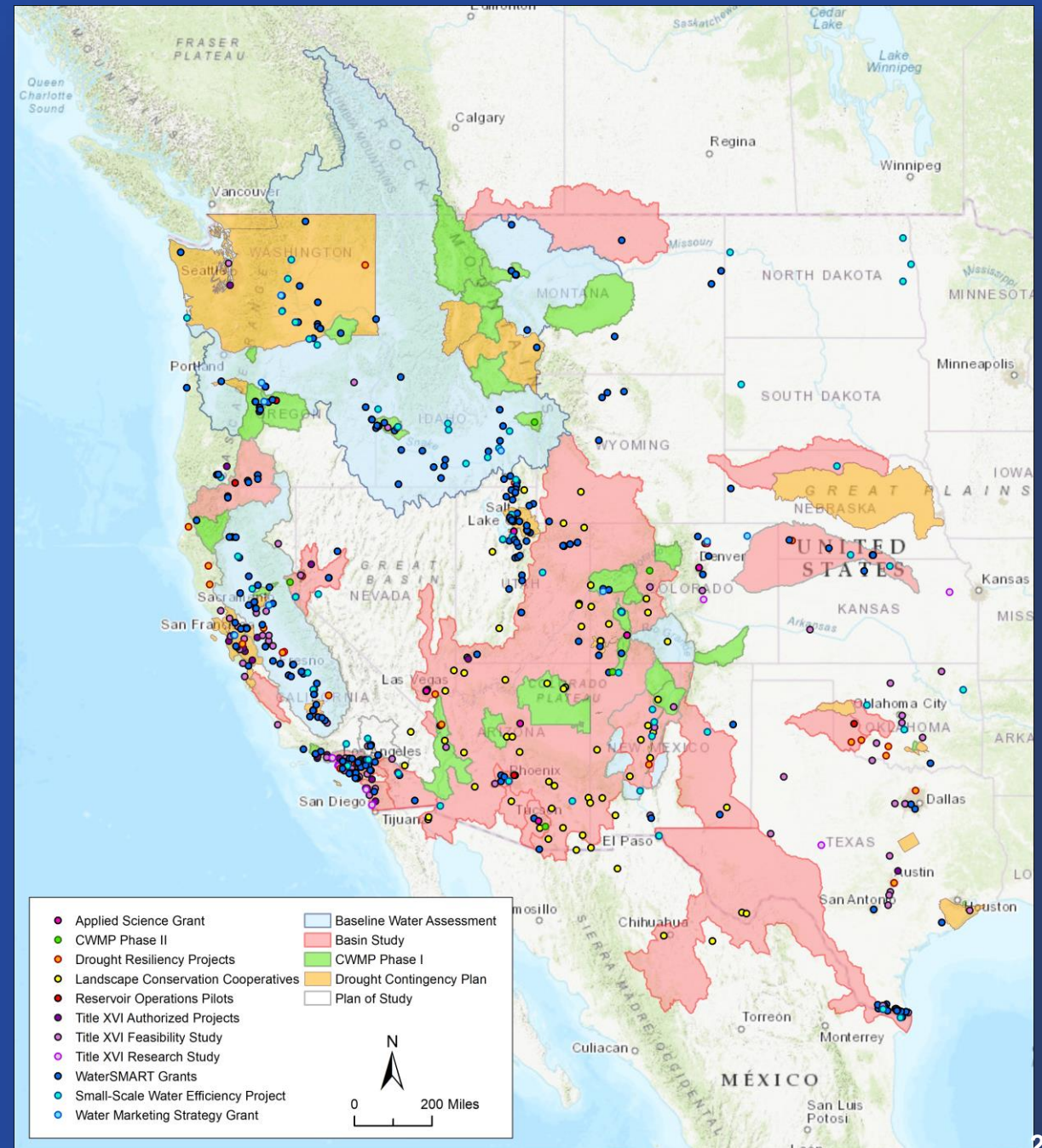
Applications will be evaluated against the evaluation criteria which comprise a total of 100 points.

FOA Deadline: Wednesday, July 31, 2019, at 4:00 p.m. MDT

WaterSMART - *Data Visualization*

- Provides users with interactive maps of each WaterSMART Program and projects
- Includes Featured Project tours
- Shows program growth since 2010
- Recently updated with new application features

[WaterSMART Data Visualization Tool](#)



WaterSMART Program Links

Basin Studies	Basin Studies - https://www.usbr.gov/watersmart/bsp/index.html WWRA - https://www.usbr.gov/watersmart/wcra/index.html Reservoir Operations - https://www.usbr.gov/watersmart/pilots/index.html Applied Science Tools - https://www.usbr.gov/watersmart/appliedscience/index.html
Title XVI	https://www.usbr.gov/watersmart/title/index.html
WaterSMART Grants	Water and Energy Efficiency Grants - https://www.usbr.gov/watersmart/weeg/index.html Small-Scale Water Efficiency Grants - https://www.usbr.gov/watersmart/swep/index.html Water Marketing Strategy Grants - https://www.usbr.gov/watersmart/watermarketing/index.html
Field Services	https://www.usbr.gov/waterconservation/
Drought	https://www.usbr.gov/drought/
CWMP	https://www.usbr.gov/watersmart/cwmp/index.html



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RECLAMATION
Managing Water in the West